

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

BTC-E, et al.,

Defendants.

Case No. [4:19-cv-04281-KAW](#)

**ORDER LIFTING STAY; ORDER TO
SHOW CAUSE TO THE UNITED
STATES**

Re: Dkt. No. 45

On July 19, 2022, the Clerk entered default against defendants BTC-e (a/k/a Canton Business Corporation) and Alexander Vinnik. (Dkt. Nos. 34 & 35.) On September 13, 2022, the Court ordered the United States to file a motion for default judgment or, in the alternative, a status report explaining when the Government expected to file such a motion and the reason for the delay. (Dkt. No. 36.)

On October 5, 2022, the United States re-served Defendant Vinnik in Santa Rita Jail in Dublin, California. (*See* Dkt. Nos. 38, 45.) On October 6, 2022, Defendant Vinnik's Federal Public Defender explained that, while she cannot represent him in the civil matter, Mr. Vinnik was currently in custody at Santa Rita Jail on pending criminal charges and that he requested that the instant case be delayed until his criminal case was resolved. (Dkt. No. 37.) That letter also confirmed that Mr. Vinnik received legal papers in English. *Id.* at 1.

On October 14, 2022, the United States filed a status report and informed the undersigned that it was amenable to staying the civil action while the active criminal proceedings were ongoing. (Dkt. No. 38 at 3.) On October 18, 2022, the Court stayed this case pending the resolution of Defendant Vinnik's criminal proceeding, *United States v. Vinnik*, 16-cr-00227-SI. (Dkt. No. 39 at 2.)

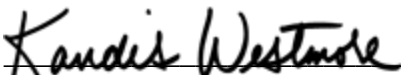
1 On March 26, 2025, the United States filed a status report in which it requested that the
2 stay be lifted. (Dkt. No. 45 at 3.) Therein, the United States took the position that the prior entry
3 of default remained proper despite the latter service of documents while Defendant Vinnik was in
4 custody at Santa Rita, and that the United States reserved the right to move for default judgment
5 pending internal approvals, against Defendants BTC-e and Vinnik should they fail to respond to
6 the complaint within 21 days of re-service of October 5, 2022—not including the time the action
7 was stayed. *Id.* This would provide Defendants with nine days to respond once the stay is lifted.

8 Accordingly, the STAY is lifted. The United States, however, is ORDERED TO SHOW
9 CAUSE by April 14, 2025 why the July 2022 entry of default should not be set aside. Moreover,
10 the Court extends Defendants' time to respond to the complaint to May 2, 2025.

11 Finally, no later than 3 days from the date of this order, the United States is instructed to
12 serve Defendants with a copy by any means reasonably calculated to provide actual notice, and
13 file proof of service to that effect.

14 IT IS SO ORDERED.

15 Dated: March 31, 2025

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17 KANDIS A. WESTMORE
18 United States Magistrate Judge
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